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INFORMATION REPORT

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General Conditions in the Northeast

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SUPPLEMENT TO REPORT NO.

- On 12 October 1950, high-ranking Chinese Communist authorities in Northeast China summoned leaders of various organizations to an emergency meeting and issued a confidential order that all important factories and organizations be deactivated. Factory machinery was to be dismantled and moved northward by groups with an escort of the factories' own technical employees. In addition, all civilians, government organizations, schools, and factories were required to complete air raid shelters within five days. All technical employees were forced to move northward collectively, but their dependents had to return to their native homes. Many workers deserted, thus greatly affecting the moving project.
- 2. The Mukden Machine Factory was ordered to move to Tsitsihar (123-57, 47-22), and the Suchiatun (123-22, 41-43) Locomotive Factory to San K'uo Shu 二根樹) in Harbin. 11-017, Penchi (123-43, 41-20), and Fushun (123-54, 41-53) were completely deactivated. The engineering college, medical college, and LU Hsun (D) Gollege were ordered to move to Changellun, Harbin, and Chiamussu respect bively.
- On 12 October the Mukden court also adopted emergency measures. Political prisoners convicted of less serious crimes were released on bail, while those convicted of more serious crimes were executed: All persons considered to be leading opposition to Communist rule were arrested, and, after a public trial, were executed. Communist Party members were also reexamined.
- 4. It was rumored that Pu Yi, former emperor of Manchukuo, and his key officials who, after being extradited from the USSR, were detained in the Penchihu (123-43, 41-20) Model Prison, were moved to a place near Narbin before the end of November. The 1,700 Japanese prisoners of war extradited from the USSR in July 19h9 were also said to have been moved from the Penchihu prison to Suihua (126-58, 46-38).

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligance to the Archivist of the United States.

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CHITPAL INTULLIGHION AGENCY

- Touthware being urged to voluteer for the anny. All youths above 16 years of age who have a granuar school education and are physically fit are forced to leave their schools or places of employment and either enroll in the Hillitary Cadres Academy or directly participate in the Horean war. By early December more than a million youths had been recruited in this fashion. Jobless youths, not conscripted for Hillitary purposes, were sent to mining areas in the frontier to do hard labor.
- 6. Land reform has been suspended in areas in China where local economic conditions have worsened. The southern and northwestern areas, where public order is difficult to maintain, have been exempted from food levies. Food levies in north and central China, however, are still in force, but are collected in terms of cash rather than in grain. The reason for this is that in case the Communists are forced to evacuate these areas, they can convert the cash to gold bullion, which is more convenient to transport and also is more convenient for meeting military expenditures. Grain stored in public warehouses in various places has been dumped on the market at low prices, thus causing the farmers to lose money on current crops.
- To Appropriations to government organizations, state—owned enterprises, factories, and schools have been curtailed by 70 percent. Public deposits have been frozen and strict regulations placed on connercial and personal bank deposits. Since the Korean war, prices have doubled in the Northeast because of labor conscription, material control and defense measures.
- 8. Transportation lines are being more closely guarded and roads and railroads are divided into sections and assigned to nearby villagers, who are held responsible for any damage. Double-tracking of the Antung-Nukden railroad has not been completed. Double-tracking of the Peiping-Shanhaikuan section of the Peiping-Nukden railroad is being expedited and is almost finished. There has been no active repair work on the railroads or highways in the northern Sungari area. The Marbin-Dairen highway is in excellent condition, but highways in the eastern mountainous areas are badly in need of repair, especially the highway section south of Penchihu and around Msiuyen (123-16, 40-16).*
- 9. There are many Japanese technicions working in the Sino-Soviet jointly-operated Dairen Shipyard. This yard manufactures two vessels each month, which are sent immediately to the USSR.
- 10. Other commodities being shipped from China to the UESR are: all steel from the inshan and Penchi mines; kerosene from the Fushum coal mines; all high-grade wheat flour from the north and all soybeans, kaoliang, and corn from the Hortheast. It is said that only the wheat flour is used for food and that other grains are used to manufacture chemicals.

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* Comment. reported that the Ministry of Railways ordered all railroads in Manchuria double—tracked by 2 October 1950, that the Ch'angch'un Railroad from the USSR to Dairen was double—tracked by the Soviets and in operation by late August, and that highway improvement, begun in July, was continuing.